

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Brickchurch Enterprises, Inc.

Chapter 11
Case No. 22-70914
Judge Alan S. Trust

Debtor.

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**DEBTOR'S CHAPTER 11 AFFIDAVIT
PURSUANT TO LOCAL RULE 1007-4 OF
THE U.S. BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF NEW YORK**

State of New York }
 } ss:
County of Suffolk }

Louise Blouin, being duly sworn, deposes and says:

1. I am the director of **Brickchurch Enterprises, Inc.** ("Debtor") and I submit this Affidavit in accordance with Local Bankruptcy Rule 1007-4 in support of Debtor's Chapter 11 petition for relief. All facts set forth in this affidavit, except as otherwise indicated, are based upon my own personal knowledge, my review of relevant documents, or my opinion based upon experience, knowledge and information. To make it easier to understand the facts herein, I will refer to my self in the third person.
2. The following is information required by Local Bankruptcy Rule 1007-4.
3. **Local Rule 1007-4(a)(i)**: The Debtor is not a small business debtor.
4. **Local Rule 1007-4(a)(ii)**: The Debtor is not a single asset real estate debtor.

The subject property is residential property and Debtor is not regularly

engaged in the business of renting out this property.

5. **Local Rule 1007-4(a)(iii): Description of Debtor and Statement of Circumstances Leading to Chapter 11 Filing.** Debtor is a real estate holding company which owns one of two contiguous parcels of prime ocean-front residential real estate located in Southampton which together comprise a four-acre estate compound with 400 feet of bulkhead beach front on the Atlantic Ocean. The compound is one of the finest oceanfront estates in the Hamptons, located in the estate section of Southampton Village on Gin Lane, one of the Village's most exclusive street addresses. This section has historically been home to wealthy and influential people including members of the Ford, Du Pont, Eisenhower, Vanderbilt and Morgan families. The compound is a world-class trophy property.

Debtor's principal, Louise Blouin, purchased the four-acre compound in 1998. At the time, it contained a mansion designed by world-famous New York architect Stanford White approximately 120 years ago and a smaller cottage used for hosting guests. In or about 2002, Ms. Blouin tore down the cottage and spent approximately ten million dollars to build a new home in the historic style of Stanford White consisting of 13 rooms, which add up to about 10,700 sq. feet including the finished basement. From the time she acquired the compound almost 25 years ago until recently, Ms. Blouin used the main house as one of her residences, and the second home for guests. Both homes are of approximate equal size.

The two houses, although part of a compound, each sit on their own

separate two-acre tax lot, where each has a sizable ocean front. The original historic home is located at 376 Gin Lane and the newer home is located at 366 Gin Lane.

Ms. Blouin does not maintain either properties for rental purposes and is not in the business of renting out the second home. However, in September 2019, Ms. Blouin rented the second home for two weeks. In 2020 and 2021, Ms. Blouin, who is a Canadian citizen and Swiss resident, and who was residing in Paris at the time, had difficulty traveling to the United States due to the Covid-19 pandemic, and was unable to use her home. Accordingly, she rented out the cottage again, this time for the summer season.

Ms. Blouin is the principal who owns the separate real estate holding corporations for each of the two separate properties. She owns Debtor, which owns the second home at 366 Gin Lane. She also owns Aberdeen Enterprises, Inc., which owns the historic home at 376 Gin Lane.

In 2018, while Ms. Blouin was entertaining an offer to sell the entire compound, she obtained a bridge loan with the current mortgagee, JGB Partners and their affiliates ("JGB"), in the sum of \$26 million. However, the offer did not result in a sale when the buyer rescinded his offer. Thereafter, Ms. Blouin sought to refinance the JGB mortgage, but for various reasons including difficulties with obtaining financing as a non-United States citizen, encountering regulatory financing issues, and most recently, being hampered by the impact of the Covid-19 pandemic and of Russian sanctions affecting

some non-Russian European banks, she was unable to obtain financing, despite obtaining, for example, a final loan agreement for 366 Gin Lane with REYL Bank. In addition, Ms. Blouin sought to work out a resolution with JPG, but they were unreceptive to her proposals. Ms. Blouin's difficulties obtaining new financing and working out a resolution led to JGB commencing a foreclosure sale and obtaining a judgment of foreclosure. Debtor filed this bankruptcy case to stay the sale and resolve the debt with JGB. As there is several tens of millions of dollars of equity in the full compound, as well as substantial equity in the real estate owned by Debtor, Debtor anticipates paying all creditors in full. Ms. Blouin's business in art media and tourism was also impacted by the pandemic.

6. **Local Rule 1007-4(a)(iv).** This case was not commenced under any other chapter.
7. **Local Rule 1007-4(a)(v).** There was no committee organized prior to the filing of this case.
8. **Local Rule 1007-4(a)(vi). Debtor's Twenty Largest Unsecured Claims.** Debtor filed a schedule of its twenty largest unsecured claims, excluding claims of insiders, contemporaneous with the filing of its petition. A copy of that schedule is annexed hereto.
9. **Local Rule 1007-4(a)(vii). Information Concerning Debtor's Five Largest Secured Claims.** Debtor essentially has just three secured creditors. Although Debtor has one mortgage, it is a syndicated mortgage owned by

four associated entities whose interests are united. The parties have treated these four mortgagee creditors essentially as one entity. However, they include: JGB Partners, LP, JGB Capital, LP, JGB (Cayman) Ancona, Ltd., and JGB Plymouth Rock, LLC. The original mortgage was \$26 million. The current claim which includes interest is in the low \$40 million range and is disputed. As of this date, JGB has not filed a proof of claim. The appraised value of the collateral, consisting of the real estate located at 366 Gin Lane, is \$63 million. The other two secured creditors are the Town of Southampton and the Village of Southampton by virtue of real estate tax liens they obtained against Debtor. Debtor is in the process of ascertaining the exact amount owed on the real estate tax liens.

10. **Local Rule 1007-4(a)(viii). Summary of Debtor's Assets and Liabilities.**

Assets:

Real Property	\$63,000,000
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Debts:

Secured Claims	\$43,676,485
Priority Claims	0
Unsecured Claims	\$10,568,604
Total Claims	\$54,245,089

11. **Local Rule 1007-4(a)(ix).** None of Debtor's securities are publicly held.

12. **Local Rule 1007-4(a)(x).** None of Debtor's property in the possession or

custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent.

13. **Local Rule 1007-4(a)(xi).** Debtor is not an operating business.
14. **Local Rule 1007-4(a)(xii).** Debtor's only asset is its real estate located at 366 Gin Lane, Southampton. Debtor's principal, Ms. Blouin, has possession of all of Debtor's books and record.
15. **Local Rule 1007-4(a)(xiii). Nature and Present Status of Actions or Proceedings.** Debtor was a party to a foreclosure action, JGB Partners et. al. v. Brickchurch Enterprises, Inc., et. al., pending in the Suffolk County Supreme Court under Index no. 623208/2019. In that case the Court entered a judgment of foreclosure and scheduled a sale. Debtor filed an appeal of the order granting the judgment of foreclosure, which is pending in the New York State Appellate Division, Second Dept.
16. **Local Rule 1007-4(a)(xiv). Debtor Principal.** Debtor's sole officer/manager is its principal, Louise Blouin, who is Debtor's director. She has been the sole owner and director of Debtor for about 25 years.
17. **Local Rule 1007-4(a)(xv).** Debtor has no employees and no payroll.
18. **Local Rule 1007-4(a)(xvi).** Debtor does not pay its director.
19. **Local Rule 1007-4(a)(xvii).** At this time, Debtor does not expect to incur any expenses over the next 30 days.
20. **Local Rule 1007-4(a)(xviii).** Debtor maintains a homeowners and liability insurance policy with Scottsdale Insurance Company and Indian Harbor

Insurance Company under policy number DFS-1276672.

21. **Local Rule 1007-4(a)(xix).** Debtor does not currently maintain a bank account.
22. **Local Rule 1007-4(a)(xx). Additional Information.** Prior to filing, Debtor had a real estate listing agreement with Sotheby's International Realty to market the subject premises. Debtor intends to bring a retention application to retain them as broker to continue marketing the since Sotheby's is the most senior and influential agent in the Hamptons. Debtor is also in ongoing discussions with lenders for refinancing.

/s/ Louise Blouin

Louise Blouin

Sworn to before me this 16th

day of May, 2022

/s/ Kevin Rodriguez Osorio

NOTARY PUBLIC

[NOTARY STAMP]

Kevin Rodriguez Osorio

NOTARY PUBLIC, STATE OF NEW YORK

No. 01RO6416209

Qualified in Suffolk County

Term Expires April 12, 2025